



Dell Inc.

Company Profile

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COMPANY OVERVIEW

Dell is one of the leading technology companies, offering a broad range of products, including desktop PCs, servers, networking products, storage, mobility products, software and peripherals, and services. The company operates in the Americas, EMEA and Asia Pacific. It is headquartered in Round Rock, Texas and employs 78,900 people including 2,400 temporary employees.

The company recorded revenues of \$61,101 million during the financial year ended January 2009 (FY2009), a decrease of 0.1% over 2008. The operating profit of the company was \$3,190 million in FY2009, a decrease of 7.3% over 2008. Its net profit was \$2,478 in FY2009, a decrease of 15.9% over 2008.

KEY FACTS

Head Office	Dell Inc. One Dell Way Round Rock Texas 78682 USA
Phone	1 512 338 4400
Fax	1 512 283 6161
Web Address	http://www.dell.com
Revenue / turnover (USD Mn)	61,101.0
Financial Year End	January
Employees	78,900
NASDAQ National Market Ticker	DELL

BUSINESS DESCRIPTION

Dell designs, develops, manufactures, markets, sells and supports information technology systems and services. The company's strategy over the years has been to offer products directly to large corporate, government and organizations as well as small to medium businesses and individual consumers. However, in recent years, the company has been employing indirect sales channels strategy by offering its products through large retailers in different countries. It operates across Americas; Europe, the Middle East and Africa (EMEA), and Asia Pacific regions.

Dell's products and services are categorized into six divisions: desktop personal computers (PC); mobility products; software and peripherals; servers and networking; services; and storage. It also provides financing services for its customers.

The desktop PC division offers three product lines: XPS, Alienware, OptiPlex, Inspiron, Vostro and Precision.

The XPS and Alienware lines of products target customers requiring best experiences and designs available. The OptiPlex line is designed for business, government and institutional customers. The Inspiron line is designed for mainstream PC users requiring the latest features for their productivity and entertainment needs. The Vostro line is designed to provide technology and services to suit the specific needs of small businesses. Dell Precision desktop workstations are for professional users requiring performance from hardware platforms optimized and certified to run sophisticated applications.

The mobility products division offers notebooks under five lines: XPS, Alienware, Inspiron, Latitude, Vostro and Precision.

The XPS and Alienware lines of laptops are targeted at customers seeking the best experiences. These laptops are available from sleek, elegant, thin and light designs to the highest performance gaming systems. The Inspiron line of laptops is designed for users seeking the latest technology and high performance with emphasis on stylish and affordability. The Latitude line laptops are designed for allows business, government and institutional. The Vostro line is designed to customize technology, services and expertise to suit the specific needs of small businesses. The Precision line of mobile workstations is designed for professionals requiring performance to run sophisticated applications. In FY2009, the company made the largest product launch in its history with new E-Series commercial Latitude and Dell Precision notebooks.

The software and peripheral division offers Dell-branded printers and displays as well as third-party peripheral products, including software titles, printers, televisions, laptop accessories, networking and wireless products, digital cameras, power adapters, scanners, and other products.

The company's software offerings include a wide range of third-party software products, including operating systems, business and office applications, anti-virus and related security software,

entertainment software, and products in various other categories. Its software offering also include Dell Download Store, an online software store for consumers and small-and-medium-sized businesses, which was launched in FY2009.

Dell's printer offerings include a wide array of Dell-branded printers, ranging from ink-jet all-in-one printers for consumers to large multifunction devices for corporate workgroups.

It also offers a broad line of branded and non-branded display products, including flat panel monitors and projectors. It offers consumer monitor line-up with integrated camera and microphone.

The servers and networking division offers various servers and networking products. Its portfolio includes standards-based PowerEdge line of servers and customized Dell server solutions for very large data center customers. Its also offers PowerConnect switches used to connect computers and servers in small-to-medium-sized networks.

Dell's global services business offers a broad range of configurable IT services. Its service portfolio includes infrastructure consulting, deployment, asset recovery and recycling, training, support and managed services.

Its infrastructure consulting services allow customers to evaluate, design and implement standards-based IT infrastructures.

The deployment services facilitate the deployment of enterprise products and computer systems in customers' environments.

Its asset recovery and recycling services offer a variety of flexible services for secure and environmentally safe recovery and disposal of owned and leased IT equipment. It offers various options, including resale, recycling, donation, redeployment, employee purchase and lease return.

The company also offers training service to help customers develop the skills and knowledge of key technologies and systems. Its courses include hardware and software training as well as PC skills and professional development classes available through instructor-led, virtual, or self-directed online courses.

It also offers a suite of scalable support services designed for IT professionals and end-users. Its support services include warranty services and proactive maintenance offerings. These services are supported by the company's network of global command centers in the US, Ireland, China, Japan and Malaysia.

The company also offers a full suite of managed service solutions for companies intending to outsource IT management. It manages a portion of their IT tasks or provides an end-to-end solution.

Dell offers a portfolio of advanced storage solutions, including storage area networks, network-attached storage, direct-attached storage, disk and tape backup systems, and removable

disk backup. Some of its offerings include Dell PowerVault, Dell EqualLogic, and Dell EMC storage systems.

The company also offers or arranges various customer financial services for its business and consumer customers in the US through Dell Financial Services (DFS), a wholly-owned subsidiary of Dell. DFS offers a wide range of financial services, including originating, collecting and servicing customer receivables related to the purchase of Dell products. DFS also offers private label credit financing programs through CIT Bank to qualified consumer and small business customers and offers leases and fixed-term financings to business customers.

Over the years, Dell offered its products and services directly to customers through dedicated sales representatives, telephone-based sales and online at www.dell.com. However, in 2007, it began offering select products through indirect sales channels, such as retail stores, in several countries in the Americas, EMEA and Asia Pacific regions. At the end of FY2009, the company has a presence in 24,000 retail locations worldwide. Its strategic relationships with various major retailers in larger geographic regions include Staples, Wal-Mart and Best Buy in the US; Wal-Mart and Pontofrio (Latin America); Carphone Warehouse, Carrefour, Tesco and DSGi (EMEA); and Gome, HiMart, Courts and Bic Camera (Asia Pacific).

HISTORY

Mr. Michael Dell founded the company as Dell Computer Corporation (Dell) in 1984 to sell personal computer (PC) systems directly to customers. The company introduced the Turbo, its first PC, in 1985. The company made its initial public offering in 1988 and introduced its first notebook PC in 1989.

The company opened a manufacturing center in Limerick, Ireland in 1990 to serve the European, Middle Eastern, and African markets. In 1993, Dell expanded its global presence with new subsidiaries in Australia and Japan. Asia Pacific manufacturing center in Malaysia was started in 1996 and it started selling PCs through its website.

In the following year, the company introduced its workstation systems. In 1998, Dell expanded its manufacturing facilities in the Americas and Europe, and a year later it opened a second major US location in Nashville, Tennessee and a manufacturing facility in Eldorado do Sul, Brazil to serve Latin America. CovergeNet, a storage hardware and software developer, was acquired by Dell in 1999.

PowerApp appliance servers were introduced in 2000. In the same year, Dell was ranked as the worldwide leader in workstation shipments. In the following year, it launched Blade server, Aximx5 handheld and 3100MP projector.

The company's name was changed from Dell Computer Corporation to Dell in 2003. In the same year, the company opened its second contact center in Hyderabad, India. In 2004, the company opened a Dell Enterprise Command Center (ECC) in Limerick, Ireland to provide support for server and storage customers in the region.

Dell entered into a contract with Bombardier Recreational Products, a snowmobile and watercraft maker, in 2005 to supply technology products and services throughout its global IT network. In the same year, it opened its third US manufacturing location in Winston-Salem, North Carolina. The US Securities and Exchange Commission (SEC) started an investigation into the accounting and financial reporting matters at Dell during the same year.

The company announced plans, in 2006, to expand its operations in India by establishing its fourth Indian customer contact centre at Gurgaon, and first India manufacturing facility in the state of Tamil Nadu. In the same year, it acquired Alienware Corporation. In 2006, the company recalled batteries in select models of notebook computers for defects, and the Audit Committee started a parallel investigation into the accounting and financial reporting matters. In the same year, Dell and EMC extended their global alliance for five-year period to offer networked storage solutions for organizations. The company also established a new facility in the Edmonton Research Park housing 1,000 employees.

In 2007, Dell announced a delay in filing the Form 10-K for FY2007 owing to internal and external investigations of its accounting and financial reporting matters. In the same year, it established a new global research and development center in Bangalore, India for developing next generation network servers, data-storage systems and software products. It also expanded its operations in Brazil by building a new plant at Hortolandia, Sao Paulo in 2007.

In the same year, Dell and Bic Camera partnered on retail sales in Japan; and Dell and SAP partnered to simplify information technology for retail operations. Subsequently, Dell partnered with Gome, China's largest consumer electronics retailer, for retail sales in China. The company continued to expand its retail presence in 2007 by entering into retail agreements with DSG International (DSGi), one of Europe's major consumer electronics retailers, and Tesco, an international retailer with operations in Europe and Asia, to make the Dell notebook and desktop computers available in their stores.

In 2007, the company acquired several companies including privately-held SilverBack Technologies, a service delivery platform provider for remote monitoring and management of IT infrastructure; privately-held ASAP Software, a provider of software solutions and licensing services and a subsidiary of Corporate Express; privately-held ZING Systems, a consumer technology and services company; EqualLogic, a provider of high-performance iSCSI storage area network (SAN) solutions; and privately-held Everdream, a provider of Software as a Service (SaaS) solutions for remote-service management.

Dell launched AX4-5, an entry-level SAN solution in January 2008. This solution was designed to meet the growing storage needs of small and medium-sized organizations. The company also collaborated with Collexis to launch BioMedExperts, a social networking community for driving innovation in medical research and development. The company also established its second European manufacturing plant located in Poland in January 2008.

In February 2008, Dell introduced the Dell Storage Simplification Assessments portfolio, a set of offerings designed to simplify the evaluation and selection of storage, backup, recovery and archiving environments. Subsequently, it has completed the acquisition of The Networked Storage Company, an IT consultancy specializing in IT data storage solutions.

Dell entered into a partnership with Egenera, in March 2008, to offer fully integrated solution for dynamic data center environments. In April 2008, Dell announced that its global headquarter campus was using 100% green power as part of the company's 2008 carbon neutral commitment. Subsequently, Dell expanded its retail presence in China by adding Suning as retail partner, extending relationship with Gome and announced availability of its products at Hontu, Wuxing, Meicheng, Heng Chang and Heyong stores. Also in April 2008, the company completed a \$155 million acquisition of MessageOne, one of the industry leaders in SaaS enabled enterprise-class e-mail business continuity, compliance, archiving and disaster recovery services.

In May 2008, Dell announced plans to sell a range of its products through Officeworks stores across Australia. In the same month, the company announced a range of virtualization solutions spanning server and storage to software and services. In October 2008, Dell, Intel and Motion Computing

launched a new service to assess, design and validate the quality and coverage of wireless networks to support health care information flow. In the next month, Dell continued to strengthen its laser printer portfolio by adding two product categories to its laser printer line-up, high-end enterprise laser printers and single-function color laser printers.

Dell and EMC, in December 2008, extended their global alliance through 2013 and added EMC Celerra NX4 storage system to the portfolio of Dell EMC networked storage systems.

In January 2009, Dell announced a plan to migrate production of computer systems for customers in Europe, the Middle East and Africa (EMEA) from Limerick to its Polish facility and third-party manufacturing partners. Subsequently, the company acquired Microsoft IT consulting and solutions segments of Allin. In the same month, Cisco and Dell announced collaboration to offer next-generation IT solutions in the area of data center infrastructure. According to the agreement, Dell added Cisco's Nexus 5020 switches that support both 10 Gigabit Ethernet and Fibre Channel over Ethernet (FCoE) to its Dell PowerEdge server and Dell EqualLogic, PowerVault, and Dell/EMC storage solutions.

Dell's Oklahoma City campus, in February 2009, started using 100% wind energy for its operations, as part of the company's commitment to become the 'greenest' technology company on the planet. Additionally, Dell also announced its plan to further reduce its worldwide facilities' greenhouse gas emissions by 40% by 2015.

In March 2009, Dell introduced Adamo brand laptop. In the next month, the company introduced end-to-end Mobile Clinical Computing Solution for accessing and organizing patient information within a secure environment; and entered into a strategic alliance with Perot Systems to provide fully-integrated IT solutions to provide virtualized desktop, storage and server solutions for hospitals, health systems and physician practices, virtualized on premises or hosted either off-site or in secure, private clouds.

In May 2009, the company introduced 10.1 inch netbook, Latitude 2100, designed for education. Subsequently, its data center solutions division introduced XS11-VX8 server, an 'ultra-light' designed for hyper-scale data center environments and I/O intensive applications such as web hosting.

In June 2009, Dell announced that it sourced 26% of its global electricity needs from renewable energy sources. Subsequently, the company expanded its enterprise technology portfolio through the introduction of flexible and modular virtualization and data center consulting services, business-ready virtualization configurations, new Dell PowerEdge servers and EqualLogic PS4000 storage array. In the same month, it entered into a five-year outsourcing agreement with WellPoint, one of the US health benefits companies, for field support and help desk services through Dell Global Services.

KEY EMPLOYEES

Name	Job Title	Board	Compensation
Michael S. Dell	Chairman and Chief Executive Officer	Executive Board	2125713 USD
James W. Breyer	Director	Non Executive Board	
William H Gray	Director	Non Executive Board	301302 USD
Sallie L. Krawcheck	Director	Non Executive Board	517679 USD
Alan G. Lafley	Director	Non Executive Board	464957 USD
Judy C Lewent	Director	Non Executive Board	316297 USD
Thomas W. Luce	Director	Non Executive Board	535795 USD
Klaus S. Luft	Director	Non Executive Board	301318 USD
Alex J Mandl	Director	Non Executive Board	321302 USD
Michael A Miles	Director	Non Executive Board	316533 USD
Samuel A Nunn	Director	Non Executive Board	316293 USD
Donald J. Carty	Director	Non Executive Board	235898 USD
Bradley R. Anderson	Senior Vice President, Enterprise Product Management	Senior Management	
Paul D. Bell	President, Public	Senior Management	
Jeffrey W. Clarke	Vice Chairman, Operations and Technology	Senior Management	
Andrew C Esparza	Senior Vice President, Human Resources	Senior Management	
Stephen J Felice	President, Small and Medium Business	Senior Management	
Ronald G. Garriques	President, Consumer	Senior Management	10969558 USD
Brian T. Gladden	Senior Vice President and Chief Financial Officer designate	Senior Management	9339626 USD
Erin Nelson	Vice President and Chief Marketing Officer	Senior Management	
Stephen F. Schuckenbrock	President, Large Enterprise	Senior Management	10665312 USD
Lawrence P. Tu	Senior Vice President and General Counsel	Senior Management	

KEY EMPLOYEE BIOGRAPHIES

Michael S. Dell

Board: Executive Board
Job Title: Chairman and Chief Executive Officer
Since: 2007
Age: 44

Mr. Dell has been the Chairman and Chief Executive Officer at Dell since 2007. He has been the Chairman at Dell since he founded the company in 1984. He served as the Chief Executive Officer at Dell from 1984 to 2004 and resumed that role in 2007. He serves on the foundation board at the World Economic Forum, the executive committee of the international business council and is a member of the US business council. He also serves on the US President's council of advisors on science and technology and the governing board of the Indian School of Business in Hyderabad, India.

James W. Breyer

Board: Non Executive Board
Job Title: Director
Since: 2009
Age: 47

Mr. Breyer has been a Director at Dell since April 2009. He is also a Partner with Accel Partners in Palo Alto, California. Mr. Breyer has been an investor in over thirty consumer internet, media, and technology companies that have completed public offerings or successful mergers. Prior to his joining Accel in 1985, Mr. Breyer worked as a Management Consultant at McKinsey & Company and in product marketing and management at Apple and Hewlett Packard. He is also on the Board of Directors at Wal-Mart Stores, where he is the Lead/Presiding Independent Director. He also serves on the board at Marvel Entertainment where he is the founding Chairman of the Strategic Planning Committee. He is on the board of several private companies such as Facebook, and is on the Strategic Investment Committee/Board at Accel-KKR, IDG-Accel China Funds and Facebook Seed Fund. Mr. Breyer is also on the Board of the Associates of the Harvard Business School, Pacific Community Ventures, Stanford Technology Ventures Program, Technet, and is a Trustee of the San Francisco Museum of Modern Art and of The Menio School. In addition, Mr. Breyer is Chairman at the Stanford Engineering Venture Fund.

William H Gray

Board: Non Executive Board
Job Title: Director

Since: 2000
Age: 67

Mr. Gray has been a Director at Dell since 2000. Mr. Gray is the former President and Chief Executive Officer at United Negro College Fund from 1991 to 2004. He serves as the senior minister at the Bright Hope Baptist Church in Philadelphia since 1972. From 1979 to 1991, he served as a US Congressman from Pennsylvania. He is also a Director at JP Morgan Chase, Prudential Financial, Visteon Corporation and Pfizer Corporation.

Sallie L. Krawcheck

Board: Non Executive Board
Job Title: Director
Since: 2006
Age: 43

Ms. Krawcheck has been a Director at Dell since 2006. Until January 2009, she served as the Chairman at Citi Global Wealth Management. She joined Citigroup in 2002 as Chairman and Chief Executive Officer at Smith Barney. Prior to joining Citigroup, Ms. Krawcheck was the Chairman and Chief Executive Officer at Sanford C. Bernstein & Company. She also served as an Executive Vice President at Bernstein's parent company, Alliance Capital Management, from 1999 to 2001. She is a Director of the University of North Carolina at Chapel Hill Foundations. She is also member of Board of Directors at Carnegie Hall, Board of Overseers of Columbia Business School and the Board of trustees for the Economic Club of New York.

Alan G. Lafley

Board: Non Executive Board
Job Title: Director
Since: 2006
Age: 61

Mr. Lafley has been a Director at Dell since 2006. He is the Chairman, President and Chief Executive at The Procter & Gamble Company. He joined Procter & Gamble in 1977, and has served in a variety of executive level positions since 1992. He was named President and Chief Executive in 2000 and Chairman of the Board in 2002. He serves on the Boards at The General Electric Company, and Cincinnati Center City Development Corporation. He is a Trustee at Hamilton College. He is a member of the Business Roundtable and the Business Council.

Note: In February 2009, Dell announced that Alan G Lafley decided not to seek re-election to the board when his current terms end in July 2009.

Judy C Lewent

Board: Non Executive Board
Job Title: Director
Since: 2001
Age: 60

Ms. Lewent has been a Director at Dell since 2001. Until 2007, she served as the Executive Vice President and Chief Financial Officer and President, Human Health Asia at Merck & Co. She also held various other financial and management positions since joining Merck in 1980. She is also a Director at Motorola and Thermo Fisher Scientific. She is a Trustee and the Chairperson of the audit committee of the Rockefeller Family Trust, a life member of the Massachusetts Institute of Technology Corporation and a member of the American Academy of Arts and Sciences.

Thomas W. Luce

Board: Non Executive Board
Job Title: Director
Since: 2006
Age: 68

Mr. Luce has been a Director at Dell since 2006. He is also the President and Chief Executive Officer of the National Math and Science Initiative. He was United States Assistant Secretary of Education for Planning, Evaluation and Policy Development from 2005 until his resignation September 2006. He continues to serve as a consultant to the Department. From 1997 until 2005, he was a partner of the business advisory firm Luce & Williams. Before then, he was a founding partner and managing partner of the law firm of Hughes & Luce from 1973 until his retirement from the firm in 1997, and was Of Counsel with that law firm until 2003. From 1991 to 1992, Mr. Luce was Chairman and Chief Executive Officer of First Southwest Company, a Dallas-based investment firm that is a member of the National Association of Securities Dealers.

Klaus S. Luft

Board: Non Executive Board
Job Title: Director
Since: 1995
Age: 67

Mr. Luft has been a Director at Dell since 1995. He is the founder and Chairman of the Supervisory Board at Artedona. He is also owner and President of Munich-based MATCH - Market Access Services. Since 1990, he has served and continues to serve as Vice Chairman and International Advisor to Goldman Sachs Europe. From 1986 to 1989, he was the Chief Executive Officer at Nixdorf Computer, where he served for more than 17 years in a variety of executive positions in marketing, manufacturing and finance. He is the Honorary Consul of the Republic of Estonia in the State of Bavaria.

Alex J Mandl

Board: Non Executive Board
Job Title: Director
Since: 1997
Age: 65

Mr. Mandl has been a Director at Dell since 1997. He is currently the non-Executive Chairman at Gemalto. From 2006 to 2007, he served as the Executive Chairman at Gemalto. Before 2006, he was the President, Chief Executive Officer and a member of the Board of Directors of Gemplus since 2002. He has served as Principal at ASM Investments, a company focusing on early stage funding in the technology sector since 2001. From 1996 to 2001, he was Chairman and Chief Executive Officer at Teligent. Mr. Mandl was AT&T's President and Chief Operating Officer from 1994 to 1996, and its Executive Vice President and Chief Financial Officer from 1991 to 1993. From 1988 to 1991, he was Chairman and Chief Executive Officer of Sea- Land Services. Mr. Mandl is also a board member at Hewitt Associates, Horizon Lines and Visteon Corporation.

Michael A Miles

Board: Non Executive Board
Job Title: Director
Since: 1995
Age: 69

Mr. Miles has been a Director at Dell since 1995. He is a special limited partner at Forstmann Little and Co. He is the former Chairman of the Board and Chief Executive Officer at Philip Morris Companies, having served in those positions from 1991 to 1994. Prior to 1991, he was Vice Chairman and Director at Philip Morris Companies. Mr. Miles is also a Director at Time Warner, AMR Corporation and Citadel Broadcasting, and a trustee of Northwestern University.

Note: In February 2009, Dell announced that Michael A Miles decided not to seek re-election to the board when his current terms end in July 2009.

Samuel A Nunn

Board: Non Executive Board
Job Title: Director
Since: 1999
Age: 70

Mr. Nunn has been a Director at Dell since 1999. He is the co-Chairman and Chief Executive Officer of the Nuclear Threat Initiative (NTI). He retired from the law firm King & Spalding in 2003. From 1972 through 1996, he served as a US Senator from Georgia. During his tenure as Senator, he served as Chairman of the Senate Armed Services Committee and the Permanent Subcommittee

on Investigations. He also served on the Intelligence and Small Business Committees. He is a Director at Chevron Corporation, The Coca-Cola Company and General Electric Company.

Donald J. Carty

Board: Non Executive Board
Job Title: Director
Since: 1992
Age: 62

Mr. Carty has been a Director at Dell since 1992. He also served the company as the Vice Chairman and Chief Financial Officer from 2007 to June 2008. Before joining Dell, he retired in 2003 as the Chairman and Chief Executive Officer of AMR Corporation and American Airlines. He had served in that position since 1998. Prior to that, he served as President of AMR Airline Group and American Airlines. Between 1989 and 1995, Mr. Carty was the Executive Vice President, Finance and Planning for AMR and American Airlines. He had been American's Senior Vice President and Controller before leaving the airline in 1985 to become President and Chief Executive Officer of CP Air in Canada. In 1987, he returned to American and was elected Senior Vice President, airline planning. Before joining American, Carty spent seven years in various management positions with Celanese Canada, Air Canada, and the Canadian Pacific Railway. He also serves as Director at Barrick Gold, Hawaiian Holdings, Gluskin Sheff and Associates, and Talisman Energy. Mr. Carty is a graduate of Queen's University in Kingston, Ontario, and of the Harvard Graduate School of Business Administration.

Note: Compensation includes Mr. Carty's remuneration as Director at the company. It excludes remuneration of \$3,784,036 received by him during his tenure as Vice Chairman and Chief Financial Officer at the company.

Bradley R. Anderson

Board: Senior Management
Job Title: Senior Vice President, Enterprise Product Management
Since: 2009
Age: 49

Mr. Anderson has been the Senior Vice President, Enterprise Product Management at Dell since January 2009. Prior to current position, he was the Senior Vice President of Business Product Group. Prior to joining Dell in 2005, he was Senior Vice President and General Manager of Hewlett Packard's industry standard servers business. Previously, he was Vice President of server storage and infrastructure for HP, where he led the team responsible for delivering industry-leading server storage, peripheral and infrastructure products. Before joining HP in 1996, Mr. Anderson held top management positions at Cray Research in executive staff, field marketing, sales, finance and corporate marketing. He earned a Bachelor of Science in Petroleum Engineering from Texas A&M University and a MBA from Harvard University.

Paul D. Bell

Board: Senior Management
Job Title: President, Public
Since: 2009
Age: 48

Mr. Bell has been the President, Public at Dell since January 2009. Prior to current appointment, he was the Senior Vice President and President for Americas at Dell. Prior to that role, he served as Senior Vice President of Europe, Middle East and Africa where he managed all business operations and manufacturing activities in the region. Previously, he was Senior Vice President and General Manager of the Worldwide Home and Small Business Group. Before joining Dell in 1996, he was a consultant with Bain and Company. Mr. Bell has Bachelor's Degrees in Fine Arts and Business Administration from Pennsylvania State University and a Master's Degree in Business Administration from the Yale School of Organization and Management.

Jeffrey W. Clarke

Board: Senior Management
Job Title: Vice Chairman, Operations and Technology
Since: 2009
Age: 46

Mr. Clarke is the Vice Chairman, Operations and Technology of Dell. He joined Dell in 1987 as a Quality Engineer and has served in a variety of engineering and management roles. He moved into product development in 1989 and was promoted to Director of desktop development in 1995. In 1997, he was responsible for launching Dell's Precision Workstation product line. Subsequently, he was the Vice President and General Manager, Relationship Product Group. Prior to joining Dell, he was a reliability and product engineer at Motorola. He earned a Bachelor's Degree in Electrical Engineering from the University of Texas at San Antonio.

Andrew C Esparza

Board: Senior Management
Job Title: Senior Vice President, Human Resources
Since: 2007
Age: 50

Mr. Esparza has been the Senior Vice President, Human Resources at Dell since 2007. He joined Dell in 1997 as a Director of Human Resources in the Product Group, and later moved to become responsible for the company's worldwide staffing efforts. He led Dell's Human Resources organization in Europe for three years. Additionally, he served as the Vice President of Human Resources for the company's Americas region. He is also a Director at aDellante. Prior to joining Dell, he held human resource positions with NCR Corporation and Bechtel Power Corporation. He earned a

Bachelor's Degree in Business Administration with a concentration in Human Resource Management from San Diego State University.

Stephen J Felice

Board: Senior Management
Job Title: President, Small and Medium Business
Since: 2009
Age: 51

Mr. Felice has been the President, Small and Medium Business at Dell since January 2009. Prior to current position, he was the Senior Vice President and President of Dell Asia-Pacific/Japan operations. Prior to that, he was Vice President, Corporate Business Group, Dell Americas. Previously, he held various executive roles in Dell's sales and consulting services organizations. Mr. Felice joined Dell in 1999 from DecisionOne, where he served as Chief Executive Officer and President. He was also with worked for Bell Atlantic and served as Vice President of planning and development, with Bell Atlantic Customer Services. He spent five years with Shell Oil in Houston. He holds a Bachelor's Degree in Business Administration from the University of Iowa and a Master of Business Administration Degree from the University of Houston.

Ronald G. Garriques

Board: Senior Management
Job Title: President, Consumer
Since: 2007
Age: 45

Mr. Garriques has been the President at Dell's Global Consumer Group since 2007. Prior to joining Dell, he served in various leadership roles at Motorola. He was most recently responsible for the Mobile Devices division. He also was the Senior Vice President and General Manager of the Europe, Middle East and Africa region for personal communications services division. He also served as Senior Vice President and General Manager of worldwide product line management for PCS. He also held management positions at AT&T Network Systems, Lucent Technologies and Philips Consumer Communications. He holds a Master's Degree in Business Administration from The Wharton School at the University of Pennsylvania, a Master's Degree in Mechanical Engineering from Stanford University, and a Bachelor's Degree in Mechanical Engineering from Boston University. He is also a member of the board of trustees at Boston University, Chairman at Boston University's Alumni Council, and a Director at the United Way of Lake County.

Brian T. Gladden

Board: Senior Management
Job Title: Senior Vice President and Chief Financial Officer designate
Since: 2008

Age: 44

Mr. Gladden has been the Senior Vice President and Chief Financial Officer at Dell since 2008. Prior to joining Dell in June 2008, he was President and Chief Executive Officer at SABIC Innovative Plastics Holding. Prior to joining SABIC Innovative Plastics, Mr. Gladden was with General Electric (GE) for nearly 20 years in various financial and management leadership roles. He served as Vice President and General Manager of GE Plastics' resin business; Chief Financial Officer at GE Plastics; and Vice President and Chief Financial Officer at GE Medical Systems Healthcare IT business during his career with the company. He was named a GE corporate officer in 2002 while Chief Financial Officer at GE Plastics and had formerly served on GE's corporate audit staff for five years. He received a Bachelor of Science degree in Business Administration and Finance from Millersville University.

Erin Nelson

Board: Senior Management
Job Title: Vice President and Chief Marketing Officer
Since: 2009
Age: 39

Ms. Nelson has been the Vice President and Chief Marketing Officer at Dell since January 2009. Before becoming Chief Marketing Officer, she spent three years in Europe, most recently as Vice President of marketing for Dell's business in Europe, the Middle East and Africa. Since joining Dell in 1999, she has held leadership positions in US consumer marketing, US public sales, EMEA home and small-business marketing, as well as eBusiness. Prior to joining Dell, she held positions in brand management at Procter & Gamble, corporate strategy at PepsiCo, and as a management consultant with A.T. Kearney. She earned a Bachelor's degree in Business Administration with a concentration in International Business and Marketing from the University of Texas at Austin.

Stephen F. Schuckenbrock

Board: Senior Management
Job Title: President, Large Enterprise
Since: 2009
Age: 48

Mr. Schuckenbrock has been the President, Large Enterprise at Dell since January 2009. Prior to current appointment, he was the Senior Vice President and President, Global Services, and Chief Information Officer for Dell. Prior to joining Dell, he served as Co-Chief Operating Officer and Executive Vice President of global sales and services for EDS. Before joining EDS in 2003, he was Chief Operating Officer at The Feld Group, an IT consulting organization. He was the Chief Information Officer for PepsiCo from 1998 to 2000. He was also the global Chief Information Officer for Frito-Lay from 1995 to 1998. He earned a Bachelor's Degree in Business Administration from Elon University.

Lawrence P. Tu

Board: Senior Management
Job Title: Senior Vice President and General Counsel
Since: 2004
Age: 54

Mr. Tu has been the Senior Vice President and General Counsel at Dell since 2004. Previously, he was Executive Vice President and General Counsel at NBC Universal. He was a partner at O'Melveny & Myers, including five years as managing partner at the firm's Hong Kong office. He was also general counsel Asia Pacific for Goldman Sachs, an attorney for the US State Department and a clerk for US Supreme Court Justice Thurgood Marshall. He holds JD and AB Degrees from Harvard University, and Bachelor of Arts Degree from Oxford University.

MAJOR PRODUCTS AND SERVICES

Dell designs, develops, manufactures, markets, sells and supports various information technology systems and services. The company's key products and services include the following:

Products:

- Desktop personal computers
- Workstations
- MP3 players
- Notebook PCs
- Software
- Printers
- Displays
- Networking products
- Storage devices
- Servers

Services:

- Assessment, design and implementation services
- Deployment services
- Training and certification services
- Enterprise support services
- Client support services
- Managed lifecycle services
- Financial services

Brands:

- Alienware
- Dimension
- Inspiron
- Latitude
- OptiPlex
- Precision
- Vostro
- XPS
- PowerEdge
- PowerConnect

REVENUE ANALYSIS

Dell

The company recorded revenues of \$61,101 million during the financial year ended January 2009 (FY2009), a decrease of 0.1% over 2008. In FY2009, the US, the company's largest geographic market, accounted for 51.7% of the total revenues.

Dell generates revenues through four business divisions: Americas commercial (46.8% of the total revenues in FY2009), EMEA commercial (22.3%), global consumer (18.9%) and APJ commercial (12%).

Revenues by Division

In FY2009, the Americas commercial division recorded revenues of \$28,614 million, a decrease of 4.6% over 2008.

The EMEA commercial division recorded revenues of \$13,617 million in FY2009, an increase of 0.1% over 2008.

The global consumer division recorded revenues of \$11,529 million in FY2009, an increase of 11.1% over 2008.

The APJ commercial division recorded revenues of \$7,341 million in FY2009, an increase of 2.4% over 2008.

Revenues by Geography

The US, Dell's largest geographical market, accounted for 51.7% of the total revenues in FY2009. Revenues from the US reached \$31,569 million in 2009, a decrease of 3.4% over 2008.

Foreign countries accounted for 48.3% of the total revenues in FY2009. Revenues from Foreign countries reached \$29,532 million in 2009, an increase of 3.8% over 2008.

SWOT ANALYSIS

Dell is one of the leading providers IT systems in the world. The company offers a broad range of products, including desktop PCs, servers and networking products, storage solutions, mobility products, software and peripherals, and related services. Dell has a strong brand value and is among the top 100 global brands. Strong brand value enhances the company's market penetration capability and provides cross selling opportunities. However, contraction in end markets will affect the operating performance of the company in coming years.

Strengths	Weaknesses
Strong brand value Robust market position	Lack of strength in certain product segments Product recalls Relatively weak R&D capabilities
Opportunities	Threats
Expanding indirect sales channels Growing netbooks market Positive outlook for SaaS solutions Growing virtualization market	Contraction in end markets Reliance on third parties

Strengths

Strong brand value

Dell enjoys a strong brand image supporting its growth. The company is among the top 100 brands in the world, with a brand value of \$11,695 million, according to Interbrand annual ranking 2008. It was ranked 32 in the list of top 100 brands.

Moreover in second half of the FY2008, Dell started offering products through indirect sales, such as leading retail chain stores. It offers select products through strategic relationships with a various major retailers like Wal-Mart and Best Buy in the US; Wal-Mart and Pontofrio in Latin America; Carphone Warehouse, Carrefour, Tesco and DSGi in EMEA region; and Gome, HiMart, Courts and Bic Camera in Asia Pacific region. With its entry into indirect sales channel model, Dell's visibility among the individual customer in the retail space is increasing, which further increases its brand value.

Strong brand value enhances the company's market penetration capability and provides cross selling opportunities.

Robust market position

Dell has a robust market presence in IT systems market. Despite losing market share to other players in the recent past, Dell continues to remain a strong player in the IT systems market. Dell was the second largest player in the worldwide PC market with approximately 15% share of the volume shipment in 2008. In the notebook PC segment, it was the second largest player in 2008 with a market share of approximately 14%. In the US, the company continued to be the leading PC vendor with approximately 30% market share of the volume shipments in 2008. It is also a leading player in the computer peripheral equipment and software wholesaler market. The company is also the fourth largest player in the worldwide disk storage systems market with a market share of over 10% in 2008. It is the third largest player in the worldwide servers' segment with a market share of approximately 12% in 2008.

Dell's strong market position in the IT systems market provides it with a competitive advantage.

Weaknesses

Lack of strength in certain product segments

The company lacks strength in certain product segments. As Dell stands on a competitive platform with other major players like IBM and HP, its portfolio of offerings lack competitiveness in certain segments. For instance, the company lacks any significant software product or IT service, compared to competitors such as IBM and HP. Moreover, in recent years, IBM has been concentrating on high margins solutions business, while HP has expanded its technology services business through the \$13.9 billion acquisition of EDS in 2008. Further, the company's storage offering are dependent on its relationship with EMC.

However, the company is making strategic moves to strengthen its position in these markets. For instance, it is improving storage products and services through acquisitions, such as EqualLogic, one of the leading providers of high-performance storage area network solutions.

Lack of strength in certain product segments could affect the growth prospects of the company in future.

Product recalls

The company had to recall several products in the recent past owing to quality issues. In August 2006, the company announced the recall of 4.1 million notebook batteries owing to fire risk. These Dell-branded batteries were based on cells of Sony. According to the company, there was a risk of overheating of batteries, which could result in fire. Earlier in December 2005, the company offered replacement batteries for some models of Dell Latitude, Dell Precision, and Dell Inspiron notebook computers owing to quality issues. The company also recalled several other products during previous years owing to quality problems, including AC Adapters (2004), printer (2004), Auto-Air Power

Adapter (2004), and battery (2000 and 2001). Frequent product recalls reflect poorly on the quality function at Dell. Additionally, in October 2008, Dell updated its battery-replacement program based on additional information it received from lithium-ion battery supplier, Sony. According to Sony, 300 batteries manufactured by Sony on November 9, 2004 and April 11, 2005 and supplied to Dell may present a fire and burn hazard. As a result, Dell announced that it would voluntarily replace these batteries at no charge.

Consistent product recalls could undermine the faith of consumers in the products, benefiting the competitors of the company.

Relatively weak R&D capabilities

Dell has relatively weak research, development and engineering (R&D) capabilities compared to its major competitors. The company employs a collaborative approach to product design and development, where it works with a network of technology companies. It uses original design manufacturing (ODM) partnerships and manufacturing outsourcing relationships for manufacturing. However, it undertakes essential manufacturing processes including assembly, software installation, functional testing and quality control. As a result, the company's R&D spending has been lower than its competitors. Dell's R&D expenses were \$663 million, \$610 million, and \$498 million, respectively, FYs 2009, 2008 and 2007. By contrast, its competitors such as HP reported R&D spending of \$3,543 million, \$3,611 million and \$3,591 million, respectively, in FYs 2008, 2007 and 2006; and IBM reported R&D spending of \$6,337 million, \$6,153 million and \$6,107, respectively, in FYs 2008, 2007 and 2006. Furthermore, the company's R&D spending as percentage of total revenues was 1.1% in FY2009, compared to HP (3%), IBM (6.1%) and Lenovo (1.4%).

As a result, the company had lesser patents than its competitors. At the end of FY2009, it had a worldwide portfolio of 2,253 patents and additional 2,514 patent applications pending. By contrast, HP had a worldwide portfolio of over 32,000 patents, and IBM achieved over 4,000 patents only in 2008.

Although, the company's business model was not highly dependent on R&D over years, changing industry dynamics with increasing competition and commoditization of PC market call for differentiation through innovation. Further more, the company's relatively weak R&D makes it depend on licenses for third-party patents, and could affect its ability to introduce innovative products.

Dell's relatively weak R&D capabilities affect its competitiveness as well as make it dependent on third parties for patent licenses.

Opportunities

Expanding indirect sales channels

Over the years, Dell offered its products and services directly to customers through dedicated sales representatives, telephone-based sales and online at www.dell.com. However, from mid FY2008, it started to offer selected products through indirect sales channels, such as retail stores, in several countries in the Americas, EMEA, and Asia Pacific regions. The company's strategic relationships with various major retailers in larger geographic regions include Staples, Wal-Mart and Best Buy in the US; Wal-Mart and Pontofrio (Latin America); Carphone Warehouse, Carrefour, Tesco and DSGi (EMEA); and Gome, HiMart, Courts and Bic Camera (Asia Pacific). Moreover, in recent times, it has been expanding its retail presence at greater phase. For instance, in April 2008, it expanded its retail presence in China by adding Suning as retail partner, extending relationship with Gome and announced availability of its products at Hontu, Wuxing, Meicheng, Heng Chang and Heyong stores. Subsequently, in May 2008, it announced plans to sell a range of its products through Officeworks stores across Australia. As a result, the company had a retail presence through 30,000 stores worldwide by mid-2009.

Furthermore, Dell has been expanding its presence in telecom industry through partnerships to customized mobile products. It has entered into contracts with Verizon, AT&T, Vodafone, China Mobile and other telecom operators in India, Japan and Europe to offers combined products.

Expanding retail channels would allow the company to expand its market reach and brand visibility for revenue growth.

Growing netbooks market

Despite the slowdown in the overall PC market, the netbooks/mini-notebooks sales are forecast to grow in near term. While, the desktops shipments are forecast to contract by over 30% and notebook are expected to record 2.7% shipments growth in 2009, netbooks are expected to record about 80% growth in shipments.

Dell is one of the leading players in the worldwide PC market and has a presence in the netbooks market. The company offers Dell Inspiron branded mini laptops/netbooks for home and home office, and small businesses. It also introduced industry first 10.1-inch netbook, Latitude 2100, designed for education in May 2009. Latitude 2100 is targeted at K-12 students. Growing netbooks market could contribute to steady revenue flows for the company in near term.

Positive outlook for SaaS solutions

Despite the economic crisis, the market for Software as a Service (SaaS) solutions is forecast to record strong growth. SaaS model enables software services delivery from a centralized server/cloud computing infrastructure over the internet. It enables customers to avoid capital expenditure on software as well as related operating expenses. As a result, the SaaS market is projection to record a growth rate of over 40% in 2009. Dell has been expanding its presence in the SaaS solutions market in recent years. In 2007, the company acquired privately-held Everdream, a provider of SaaS solutions for remote-service management. In April 2008, it made a \$155 million acquisition of MessageOne, a provider of SaaS enabled enterprise-class e-mail business continuity, compliance, archiving and disaster recovery services. In April 2009, Dell and Perot Systems entered into a

strategic alliance to provide fully-integrated IT solutions to provide virtualized desktop, storage and server solutions for hospitals, health systems and physician practices, virtualized on premises or hosted either off-site or in secure, private clouds.

Moreover, Dell's cloud based services enabled several of its clients to reduced costs. For instance, in March 2009, The Gem Group, a promotional product supplier of bags, business accessories and gifts, and one of the 5,000 customers using Dell's cloud-based services, reduced its maintenance and support IT budget by 10% by using Dell's automated desktop management and email continuity services.

Positive outlook for SaaS solutions would contribute to the company's growth in near term.

Growing virtualization market

The demand for virtualization solutions is forecast to grow in coming years. Virtualization solutions are gaining importance due to their ability to optimize hardware utilization and improve operational efficiency. As the result, the worldwide virtualization software revenues are forecast to grow by over 40% in 2009, while server virtualization infrastructure revenues are forecast to grow by over 20% in 2009. Being one of the leading providers of IT infrastructure in the world, Dell has been expanding its presence in the virtualization market in recent times. It offers solutions for virtualization as part of its portfolio of PowerEdge Servers, Dell Storage and Dell Services. It also offers related software and virtual appliances in partnership with companies such as VMware, Microsoft, Symantec, Red Hat, Novell, Ubuntu, Blue Lane, IdentiPHI, Enterasys, Double-Take, Proofpoint, Certeon, and Reflex Security.

Additionally, in June 2009, Dell expanded its enterprise technology portfolio by introducing flexible and modular virtualization and data center consulting services, business-ready virtualization configurations, Dell PowerEdge servers, and EqualLogic PS4000 storage array.

The company's expanding presence in a growing market would facilitate its revenue and market share growth in coming years.

Threats

Contraction in end markets

The worldwide demand for various IT products of the company are forecast to contract in near term. The recession in developed economies in North American, Europe and Japan, and worldwide slowdown in economy, has resulted in reduced demand in the IT market. In the US, turmoil in the financial markets, very weak housing market indicators and negative consumer sentiments, has resulted in its real GDP growth rate to decline 2% in 2007 to 1.1% in 2008. Further, the GDP of the US is forecast to contract by 2.8% in 2009. Additionally, the GDP growth rate of the UK, which declined from 3% in 2007 to 0.7% in 2008, is forecast to contract by 4.1% in 2009. The Japanese

economy, which entered recession in 2008 by reporting GDP contraction of 0.6%, is forecast to report a decline of 6.2% in its GDP for 2009.

This condition created a challenging business environment, resulting in contraction of IT spending. For instance, the worldwide IT spending in 2009 is forecast to decline by approximately 4% from 2008. More importantly, IT hardware segment is forecast to report the highest decline of all the segments. The IT hardware market is forecast to contract by approximately 15% in 2009 over 2008.

Dell is a one of the leading providers of IT hardware. The company will be affected by the contraction in the end market, as customers postpone their capital and replacement decisions.

Reliance on third parties

The company is increasingly relying on third parties for sourcing various parts. Reliance on third parties could result in defective parts received from the suppliers as well as experience manufacturing interruptions, delays and inefficiencies due to lack of timely and reliable sourcing. Moreover, the company maintains several single-source or limited-source supplier relationships due to certain considerations. Additionally, in January 2009, the company announced a plan to migrate production of computer systems for customers in Europe, the Middle East and Africa (EMEA) from Limerick to its Polish facility and third-party manufacturing partners.

Increasing reliance on third parties, although resulting in cost effectiveness for the company, could also affect its operating performance and product quality.

TOP COMPETITORS

The following companies are the major competitors of Dell Inc.

Hewlett-Packard Company
International Business Machines Corporation
NEC Corporation
Toshiba Corporation
Lenovo Group Limited
Acer Inc.
Hitachi, Ltd.
Samsung Electronics Co., Ltd.
Sony Corporation
Apple Inc.
ASUSTeK Computer Inc.

COMPANY VIEW

A statement by Michael Dell, Chairman and Chief Executive Officer of Dell is given below. The statement has been taken from the company's website.

I started Dell 25 years ago with the simple idea that listening directly to customers, understanding their needs, and providing great technology, service and value would be compelling to them and successful for us. It has been, on both counts. No company in our industry has grown organically over its first 25 years as fast as Dell. We are proud to be part of the lives of hundreds of millions of customers all over the world.

Information technology has changed tremendously since 1984, a lot of it created or led by Dell. This constant and accelerating advancement has been very good for customers, who continue to benefit from ever more powerful technology, which they use to change the world.

Dell has a unique ability to quickly learn, adapt and evolve to ever-changing customer requirements. We showed that again in our fiscal 2009, even as we were transforming our own business. Our solid operating performance in the first two quarters was muted by the soft global economic environment in the second half of the year, which caused many customers to defer technology purchases. Even so, customers who continued to invest in technology increasingly asked Dell to help them reduce the cost and complexity of IT.

Within the company, we turned our focus to increasing efficiency, ensuring profitability, and carefully managing our balance sheet and cash flow. For the full year we generated revenue of \$61.1 billion, more than \$3 billion in operating income and earnings of \$1.25 per share. We ended the year with \$9.5 billion in cash and investments; by the close of our most recent quarter, that had grown to \$10.7 billion. You will find details about our fiscal 2009 performance on the Download Center page of the Year in Review.

While last year's financial results were solid given the economic environment, we are not satisfied. Our operating philosophy remains focused on balancing liquidity, profitability and growth over time. In the first quarter of this year, we completed our reorganization into four global business units—Large Enterprise, Public, Small and Medium Business, and Consumer—each focused specifically on the needs of distinct customer groups. The new structure puts us closer than ever to customers and enables us to reach new levels of performance and efficiency. We recently increased our target for annualized cost reductions by the end of fiscal 2011 from \$3 billion to \$4 billion, and will remain vigilant in looking for ways to more efficiently serve our customers.

There is enormous room for growth from products and services already in our portfolio, including our best-ever range of mobile computer systems. Growth opportunities exist across our four business units and in all regions, especially in the world's rapidly emerging economies—including China, India, Brazil and Russia, where Dell's combined growth has outpaced the overall industry for more than two years.

Reaching the full potential of our core business, accelerating execution against our operating-agenda priorities and intensifying our focus on cost competitiveness will fuel Dell's future growth. Spending more efficiently on our current business increases our ability to invest in both developing our own capabilities and acquiring new ones, particularly in servers, storage, services and software. Customers are taking us deeper into enterprise computing, where we are helping them build the data center of the future today: secure, energy-efficient virtualized servers; high-performance, standards-based storage solutions optimized for virtualization; new managed and Internet-based cloud services; and infrastructures for other cloud providers.

We are also transforming Dell from within. We already sell one of every four standards-based servers worldwide, we have quadrupled revenue from EqualLogic storage systems in less than 18 months, and we have grown our enhanced-services business to more than \$5 billion annually. We continue to enjoy strong alliances with other leaders in our industry, such as EMC, Microsoft and Intel. We are making it easier for customers of all types to choose Dell, by making our products available through 40,000 commercial sales partners and in 30,000 consumer retailers. And we are earning broad recognition for our leadership in corporate responsibility, including environmental and other sustainability initiatives.

Taken together, the company is extremely well positioned for the start of our next 25 years. While it is uncertain when growth in IT spending will return to historical levels, we are preparing for a powerful replacement cycle. As that occurs, strong relationships with customers across our direct, partner and retail channels will remain fundamental to Dell, and continue to distinguish us from competitors.

We are proud of our accomplishments since 1984. However, our strong and dedicated team is focused on the future, and the role that technology plays in solving the world's biggest challenges. We are helping the largest governments and corporations to simplify and become more efficient. We are empowering schools to provide better education, and health-care providers to deliver better care. We are driving small businesses, the global economic backbone. And we are giving families everywhere access to essential technology tools, so that they can fully participate in the digital millennium.

Our future will take us from the desktop, to the data center, to the cloud, and into the hands of billions of potential new customers who are carrying the Internet—essentially the world—with them everywhere they go.

This is what excites us about the next 25 years.

LOCATIONS AND SUBSIDIARIES

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